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Status: Final
Supersedes: Internal Controls #127

Purpose

To establish methods of compliance and integrity within the fiscal and administrative systems to ensure that safeguards are in place to significantly reduce or eliminate the possibility of misuse of public funds.

Policy

PacMtn will ensure a framework of internal controls is established to achieve effective and efficient operations; reliable financial reporting; compliance with applicable laws and regulations; and safeguards of assets.

PacMtn will design an internal control system that demonstrates a commitment to integrity and ethical values. This system will create standards to maintain appropriate separation of duties and approval authority to safeguard itself and its assets from fraud and abuse.

Guidelines

Members of the executive management team will review and assess activities that are susceptible to risk and develop processes and procedures to design effective systems of separation of duties to ensure that no one person has control over a process that could put the assets of PacMtn at risk.

Separation of duties will be documented and reviewed periodically to ensure effectiveness. Processes and procedures are developed to include multiple reviews or approvals whenever possible to achieve maximum security.

Effective controls within the accounting system will be put in place to restrict activities and authorities so that no single accounting person will have sole control over an entire accounting process.

Financial duties and responsibilities must be separated so that no one employee has sole control over critical elements of cash management including cash receipts; disbursements; payrolls; reconciliation of bank accounts, etc.

Frequent financial and budget reporting is in place to maintain budget control of programs and to identify potential issues.

Processes for purchases and disbursements of funds are in place to ensure proper authorization.

Controls to protect personally identifiable information and other private, sensitive and confidential information are in place to minimize risk of exposure.

PacMtn maintains a policy on conflict of interest, an interlocal agreement and bylaws to identify roles and responsibilities of Board and local elected officials to identify and minimize risk.

Internal controls of subrecipients are reviewed to verify they have adequate processes in place to safeguard federal funds and information.

PacMtn will take prompt action to correct internal controls when instances of noncompliance are identified.

References

2 CFR 200.303

20 CFR 679.430

20 CFR 683.330

Standards for Internal Control in the Federal Government

DATE APPROVED: March 10, 2017

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